



General Services Administration  
Office of General Counsel  
Washington, DC 20405

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May 20, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Subject: Implementation of the Local Competition Provisions in the  
Telecommunications Act of 1996, CC Docket No. 96-98  
(Dialing Parity Issues)

Dear Mr. Caton:

Enclosed please find the original and sixteen copies of the Comments of the General Services Administration and Department of Defense (GSA/DOD) for filing in the above-referenced proceeding (on Dialing Parity Issues).

Sincerely,

*Michael J. Ettner*

Michael J. Ettner  
Senior Assistant General Counsel  
Personal Property Division

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**BEFORE THE  
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WASHINGTON, D.C. 20554**

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In the Matter of )  
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Implementation of the Local Competition )  
Provisions in the Telecommunications Act )  
of 1996 )  
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CC Docket No. 96-98

**COMMENTS OF THE  
GENERAL SERVICES ADMINISTRATION**

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May 20, 1996

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## **SUMMARY**

GSA agrees that the 1996 Act moots the issue of whether the LECs must provide dialing parity for all carriers. It urges the Commission to adopt its tentative conclusion that the requirement for dialing parity means presubscription to alternative providers with no added dialing digits for all dialed calls, whether local, intraLATA, interLATA or international. GSA recommends that the Commission confirm its tentative conclusions to require the LECs to provide to all telecommunications carriers the same access to telephone numbers, operator services, directory assistance and directory listings that the LECs currently enjoy.

The Commission should adopt rules that ensure that local 7-digit calling areas are consistently defined for LEC wholesale and retail services. The Commission should apply the same timetable to independent LECs as to the BOCs, and it should decline from prescribing any customer education or balloting program.

Finally, the Commission should distribute any verifiable incremental costs associated with achieving dialing parity as a percentage surcharge on the bills of all carriers, including the incumbent LECs, to which dialing parity is available.

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
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CC Docket No. 96-98

**COMMENTS OF THE  
GENERAL SERVICES ADMINISTRATION**

The General Services Administration ("GSA"), on behalf of the customer interests of all of the Federal Executive Agencies ("FEAs"), submits these Comments in response to the Commission's Notice of Proposed Rulemaking ("NPRM"), FCC 96-182, released April 19, 1996.

**I. Introduction**

These Comments are filed in response to ¶¶290 of the NRPM which requests interested parties to respond separately on four different issues. The issue addressed in these Comments is dialing parity, a matter discussed in ¶¶202-219 of the NPRM.

The FEAs have participated in numerous state commission proceedings involving dialing parity, usually in connection with the ability of end-users to presubscribe to

intraLATA toll service.<sup>1</sup> Consistently, the FEAs have advocated that subscribers be afforded the opportunity to select among competitive carriers without the cumbersome disincentive of additional access digits and customer identification codes. The FEAs have urged state regulatory authorities to require "presubscription" for both interLATA and intraLATA services under their jurisdiction.

However, in order to give consumers more choices, and to recognize the prohibition against the provision of interLATA services by the Bell Operating Companies ("BOCs"), the FEAs have supported a "2-PIC" arrangement, whereby a user may presubscribe to different carriers for interLATA and intraLATA services. As noted in the NPRM, a number of states have accepted the position advocated by the FEAs and have required dialing parity for intrastate services.

## **II. Issues Mooted by the Telecommunications Act of 1996**

GSA agrees with the Commission's conclusion that the Telecommunications Act of 1996 ("1996 Act") has mooted the issue of whether Local Exchange Carriers ("LECs") should be required to implement dialing parity.<sup>2</sup>

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<sup>1</sup>See, e.g., Filings of the Department of Defense and All Other Federal Executive Agencies in Massachusetts D.P.U. Docket D.P.U. 95-185, May 19, 1995; Public Utilities Commission of Ohio Case No. 95-845-TP-COI, November 14, 1995; New Jersey Board of Regulatory Commissioners Docket No. TX94090388, April 10, 1995; California Public Utilities Commission I. 87-11-033, July 31, 1995.

<sup>2</sup>NPRM, ¶ 205.

The Commission has also reached "tentative" conclusions on several other issues:

- that the LECs have a duty to provide dialing parity with respect to all telecommunications services -- intrastate, interstate and international -- that require dialing to route a call (§206 of the NPRM);
- that exchange service customers within local calling areas must be able to dial the same number of digits to make a local telephone call regardless of the customer's or called party's service provider (§212);
- that competing providers must have the same access to telephone numbers, operator services, directory assistance and directory listings that the incumbent LECs currently receive (§ 214);
- that dialing delays, however measured, be no greater for alternative carriers than for the incumbent LECs (§ 218).

GSA respectfully submits that the wording of the 1996 Act effectively moots these issues and requires the Commission to confirm and adopt each of these conclusions.

### **III. Other Issues**

#### **A. Presubscription**

GSA also urges the Commission to confirm and adopt its tentative conclusion in §207 that presubscription is the most feasible method to achieve dialing parity. The only alternative to presubscription would be to require a two or three-digit carrier code with

each call, clearly an inferior alternative to presubscription.

As among the alternative forms of presubscription, GSA strongly favors the "multi-PIC" arrangement which allows the end-user to select among carriers for various categories of local and long-distance calling. This arrangement is most conducive to the development of competition because it allows small regional carriers with limited networks to compete with the relative handful of carriers that have ubiquitous coverage. To require consumers to presubscribe all of their calling, or even all of their interLATA calling, to one carrier will lead to the further concentration of an already concentrated industry.

This "multi-PIC" arrangement must be nationwide. Otherwise, it is not truly "multi-PIC," that is, users will not be able to designate carriers by regional destination submarkets.

#### **B. Local Calling Areas**

One of the more difficult issues not specifically raised in the NPRM relates to the definition of local calling areas. Dialing is not truly at "parity" if different carriers have different definitions of the geographic areas in which calls can be made with 7 digit dialing. For example, if the incumbent LEC offers 7-digit dialing throughout an entire metropolitan area, but its competitor does not, then the two carriers do not provide true dialing parity.

Hitherto, the local 7-digit calling areas have been defined by the LECs with the approval of the state commissions. This arrangement may continue to be acceptable so long as it does not result in a de facto exclusion of new competitors with more limited



network coverage.

The resolution to this problem may lie in the provisions of the 1996 Act relating to resale. If a new carrier can supplement the coverage provided by its own facilities with resold wholesale coverage provided by the incumbent, it should not be unduly disadvantaged. The critical requirement, however, is that the incumbent's wholesale local calling area must match its retail local calling area. The Commission may wish to consider this issue in establishing policies relating to nationwide dialing parity.

### **C. Timetable**

In ¶212 of the NPRM, the Commission inquires into the timetable for dialing parity by independent (non-BOC) carriers. While GSA favors the earliest possible implementation of dialing parity, it does not believe that independent carriers should be subject to a more stringent timetable than the BOCs. Accordingly, GSA would support a three-year deadline for dialing parity by independent LECs that remain purely local carriers. However, any independent LEC that also offers interLATA services, either directly or through an affiliate, should be required to provide multi-PIC dialing parity for both local and long-distance services.

### **D. Balloting for Presubscription**

The concept of balloting for presubscriptions was highly relevant when the Bell System was broken up. End users had effectively (and unknowingly) been presubscribed to the AT&T's Long Lines System as an extension of their local service subscriptions.

When local service became decoupled from long distance service, it was necessary for every telephone subscriber to select an interLATA carrier. Balloting was the obvious solution, and even then, there was considerable complexity associated with the assignment of subscribers who declined to return their ballots.

In the present context, there is no comparable need to assign subscribers among a field of alternative providers. Furthermore, the field itself is much more varied and complex, with different providers offering different services covering different market areas. Balloting in this environment would be extraordinarily complicated. Ensuring its fairness among all providers would be a daunting task.

For this reason, GSA favors using the same procedure for distributing pre-subscriptions among carriers as is used in every other competitive market, which is to let the carriers fight it out among themselves. Subscribers should know that they have a choice of carriers, but this knowledge probably does not require any regulatory directive. The carriers themselves will have every incentive to make sure that prospective customers are aware of their choices. Which carriers customers select will then reflect their individual assessments of the prices and services being offered in the market. There is no need for any formal notice or balloting.

#### **E. Cost Recovery**

Whether and to what extent the requirement for dialing parity prescribed by the 1996 Act will incur added costs remains to be seen. GSA urges the Commission to view

LEC claims for large cost compensation with considerable skepticism. There is obviously a strong incentive to exaggerate those claims.

However, assuming there are incremental costs associated with dialing parity, GSA urges that those costs be distributed among all users of telecommunications who have access to alternative suppliers with dialing parity. The benefits of competition are subtle. They relate as much to the quickened urgency for internal carrier operating efficiency as to the explicit bidding for the services of major customers. That is why competition benefits all customers, even those who remain with the incumbent LEC. If dialing parity involves identifiable and verifiable costs to the incumbent carriers, those costs should be recovered through a percentage surcharge on the bottom line of bills for telecommunications services from all carriers, including the incumbent LECs, to which dialing parity is available.

May 20, 1996


#### **IV. Conclusion**

As the agency vested with the responsibility for acquiring telecommunications services on a competitive basis for the use of the Federal Executive Agencies, GSA urges the Commission to adopt its tentative conclusions with respect to dialing parity, pre-subscription and access to telephone numbers, operator services, directory assistance and directory listings. The Commission should adopt rules that ensure that local calling areas are consistently defined for LEC wholesale and retail services. It should apply the same timetable to independent LECs as to the BOCs, and it should decline from prescribing any customer education or balloting program. Finally, the Commission should distribute any verifiable incremental costs associated with achieving dialing parity as a percentage surcharge on the bills of all carriers, including the incumbent LECs, to which dialing parity is available.

Respectfully Submitted,

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May 20, 1996

## **CERTIFICATE OF SERVICE**

I MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Comments of the General Services Administration" were served this 20th day of May, 1996, by hand delivery or postage paid to the following parties:

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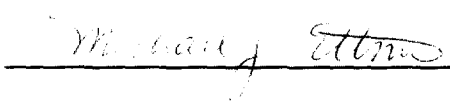
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